

KEEGAN, WERLIN & PABIAN, LLP

ATTORNEYS AT LAW
21 CUSTOM HOUSE STREET
BOSTON, MASSACHUSETTS 02110-3525

(617) 951-1400

TELECOPIERS:

(617) 951-1354

(617) 951-0586

April 7, 2003

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

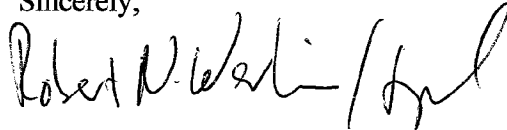
Re: Boston Edison Company d/b/a NSTAR Electric, D.T.E. 02-80A, Responses to
Information Requests

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter is the response of Boston Edison Company d/b/a NSTAR Electric to the Information Requests set forth on the accompanying list.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert N. Werlin" followed by a stylized flourish.

Robert N. Werlin

Enclosures

cc: William Stevens, Hearing Officer
Service List

Responses to Information Requests

Information Request DTE-4-6

April 7, 2003

Information Request DTE-4-6

Please indicate if the calculations for the annual figures, shown under columns E and F in Exhibit BEC-JFL-1, at 5 (Supp), adjust for the impact of the "revenues collected from the standard offer service fuel adjustment and applied to reduce the Company's transition costs" @ D.T.E. 01-78 (Phase II) (2002) at 7. If yes, please describe, with supporting schedules, how this adjustment was performed, and show the incremental impacts of this adjustment on all affected schedules. If no, please explain why.

Response

No, the Company has not adjusted columns E and F in Exhibit BEC-JFL-1, at 5 (Supp), for the impact of the revenues collected from the standard offer service fuel adjustment ("SOSFA").

The Company's approved Restructuring Settlement Agreement, D.P.U. 96-23, provides for both Access Charge Mitigation Incentive and a Fuel Adjustment. The Restructuring Settlement Agreement does not require an adjustment in the Mitigation Incentive calculation when the Fuel Adjustment is in effect.

Nevertheless, a comparison of the transfer price of the NUGs compared to the market price proxy of the Default Service price indicates that the NUGs are transferred well below market price. This means that if the transfer price were set at the market price based on Default Service procurements, the incentive mitigation would be higher than it is when establishing the transfer price in accordance with the DOER settlement approved by the Department in Boston Edison Company, D.T.E. 98-111-A by reflecting Standard Offer Service revenues (including the SOSFA).

The comparison is as follows (units are in cents per kilowatt hour)

| | <u>NUG Transfer Price</u> | <u>Default Service</u> |
|------|---------------------------|------------------------|
| 1999 | 3.100 | 3.505 |
| 2000 | 3.400 | 5.620 |
| 2001 | 6.133 | 7.520 |
| 2002 | 4.772 | 5.502 |
| 2003 | 4.004 forecast | 4.829 forecast |